

## House Republican Press Release

May 1, 2006  
Press Office: 860-240-8700

### Rep. Stripp Supports 2006 – 2007 Budget Proposal



#### *Spending Package is Fiscally Sound but Tax Relief Fails Fairfield County Families*

The \$16 billion 2006-2007 state budget approved Sunday by the state House of Representatives is fiscally responsible but failed to include tax relief that would have helped Fairfield County families, said state Representative John E. Stripp, who

voted for the spending package.

“The budget we approved Sunday is a compromise that was worked out after many hours of hard bargaining between the Governor’s office and Republican and Democrat leaders in the state House and Senate,” said Representative Stripp, R-135<sup>th</sup> District. “It cuts about \$100 million from the budget approved recently by the Democrat-controlled Appropriations Committee. It exceeds the governor’s original proposal by only \$16 million and it stays below the state’s constitutional spending cap.”

“Unfortunately, it did not include the reform or repeal of the tax on estates valued at more than \$2 million and it did not include Governor Rell’s proposal to eliminate the car tax, all of which I strongly supported,” Representative Stripp said. “We offered two amendments that would have reformed the estate tax to make it less burdensome and discriminatory, both of which were rejected on party line votes with most Democrats voting to reject them and most Republicans supporting them.”

“Had we repealed or reformed this tax, many Fairfield County residents who are considering a move to states where estate tax rates are lower or nonexistent probably would have canceled those plans,” Representative Stripp said. “If people think they are being taxed unfairly, they start to think seriously about moving to states that do not penalize hard-working productive citizens. The majority’s lockstep opposition to repealing or reforming the estate tax is almost certain to mean more people who are adversely affected by this tax will be leaving Connecticut for good.”

“On the positive side, this budget does make prudent use of the state surplus, which now is projected to amount to almost \$700 million,” Representative Stripp said. “The budget contributes substantially more to the state’s Rainy Day Fund than the original budget approved by the majority on the Appropriations Committee. The budget we approved increases the contribution to the Rainy Day Fund from \$39 million to \$190 million, which brings the total in the Rainy Day Fund to \$800 million. In addition, the budget takes \$246 million from the surplus and puts it in the under-funded teachers’ retirement fund.”

“The 15 percent corporate income tax surcharge for the 2007 income year also is eliminated under this budget,” Representative Stripp said. “That is good news for the state’s economy. It will mean Connecticut companies will be able to use more of their profits to expand here and hire new employees. It also sends the right message to out-of-state firms interested in moving to or expanding their operations in New England. It tells them that we are trying to improve the

business climate in Connecticut and are adopting business-friendly policies to make our state more attractive to new employers.”